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Socially acceptable

BW Confidential examines how beauty brands can approach social networking and how the media will evolve

Now that Louis Vuitton has posted videos of its fashion shows on Facebook, the term social media may make management at prestige beauty brands slightly less uneasy. Up until recently social media has mostly generated fear. There's the fear that a democratic medium like the internet is not the place for luxury brands and that social media does not bring a real return on investment. There's the worry of getting involved in the latest hot new thing, only to be told six months down the line that it is obsolete. And there's a general panic of not really knowing what's going on in social media, how it all works and of it being a bit too experimental.

These fears are legitimate enough. But so is the consumer's (and increasingly the competition's) presence on social networks—there are now 87% more Americans using social networking than in 2003, according to Nielsen. This fast-paced growth has more companies asking how and where to participate. The advice has been to take six months to look at where consumers are spending time online and listen to them before beginning to participate. US-based consultancy Direct Message Lab ceo Steven Plous, however, recommends that brands interact with customers as soon as possible and learn as they go. "Companies think that what they start doing in social media is etched in stone and that they will be stuck with it forever. But what they start with will probably be very different six months later. Companies need to be constantly reworking their presence online—people will expect that. If web visitors are asking for x or y and the brand doesn't react it'll be ignored."

Content is king

Most brands realize that they need to be on Facebook, and are paying more attention to blogs and communities, micro-blogging tool Twitter and video sharing sites (see box, page 7). However, what will make social media work on any of these platforms is the content. "The challenge is to come up with creative, relevant content that is exclusive to the web and that delivers an experience," says Lancôme interactive marketing director Julie Thompson. It also needs to be fresh. "Brands need to keep their members up to date and tell them about events. They need to have constant animations, otherwise it will not work," says communication agency Digitas strategic planning director Reynald Sauvet.

Content that gets the web user involved, such as a survey or a poll is ■■■

Social networking in figures

- Facebook now has more than **300 million users** and accounts for **60%** of all social media activity
- Twitter is forecast to have between **80-100 million users** by the end of 2009
- **346 million** people will read blogs in 2009
- There are **87%** more online social media users now than in 2003
- In the last year alone, time spent on social networking sites increased **73%**
- Social media ad spending is forecast to increase by **34%** in the next five years

Source: Nielsen, Forrester, Technorati, Direct Message Lab

Social networking

■■■ often seen as best. Estée Lauder-owned Origins for example, conducted a survey based on the question 'how environmentally friendly are you?' which started a conversation about the brand. The company's flagship brand Estée Lauder created a buzz through its breast cancer campaign last year by asking bloggers to share a breast cancer 'survivor story'. It also sent out virtual pink ribbons via Facebook. L'Oréal-owned Lancôme, meanwhile, set up specific times on its new make-up blog, where users can talk to make-up artists online. The brand also organized live chats with scientists to discuss its skincare products.

Asking what users think goes down well. One beauty brand asked users to come up with names for a new lipstick launch, while another asked for opinion on the packaging of a new product that had not yet hit the market and garnered more than 200 responses in 10 minutes. Brands could also ask users what they think about new trends and even about what type of content they would like to see on the company's Facebook page. But as well as asking, brands need to respond. Companies have been criticized for not properly monitoring user feedback and not taking comments into account.

Games, competitions or quizzes that offer incentives also attract attention. This could include awarding points each time a user gives feedback on a product, ■■■

Social media: where to go?

• If a company should be anywhere it should be on **Facebook**. The website now boasts over 300 million users and accounts for 60% of all social media activity (compared with Twitter's 1.8% share). Facebook enables brands to do a lot cost-effectively (building branded fan pages, hosting videos, posting the latest brand news, showcasing special animations). It can also attract a large audience quickly—one well-known coffee brand managed to attract 55,000 fans to its Facebook page in just six months.

• Once decided, **blogs** are now a focus for beauty marketers. Many brands now hold special events where they present new products to a number of key bloggers. Just as blogs are becoming more professional in their style and content, brands are treating them more like mainstream journalists. To get the bloggers talking, brands are also providing them with widgets to enhance their posts. There has been much talk of bloggers being 'bought' by beauty brands and just 'doing it for the freebies'. While this no doubt exists, Lancôme's Thompson insists that brands need to draw up a code of ethics about how they communicate with bloggers. To limit paid-for content on blogs, the US Federal Trade Commission has just established guidelines that require bloggers to disclose when they have been given a product free-of-charge. Brands are also creating their own blogs, which may prove more important given the increase in attacks about product safety and ingredients.

• **Twitter**, the micro-blogging tool where messages are limited to 140 characters, is a quick way of creating a buzz. It can be used to send out regular beauty tips, as a teaser for an upcoming launch or to alert bloggers (who use the tool frequently) to news.

IC-Agency's David Sadigh says Twitter can also serve as an after-sales tool in much the same way as a hotline number was used in the past—if a customer has a complaint or question they can get an immediate answer via a tweet.

• **Video**, while not exactly a tool is set to become a more important way of relaying information on social networks. According to Nielsen, the number of Americans visiting online video destinations, such as YouTube was up by 339% since 2003, while unique viewers of online video grew by 10% last year. For beauty the use of video seems obvious—beauty tips, product application—which may mean companies will have to be more creative to differentiate their video content from competitors.



credit: stock.xchng



Social networking

■■■ which are later redeemed for samples or a gift in-store.

But devising content for social media doesn't just have to be about the 'social' element. "Not all users have the time or always want to respond to something. Some just want to receive the latest news or exclusive information about the brand," Sauvet explains. This could include showing the 'making of' clips of a brand's advertising campaign or sharing scientific research or findings behind a new skincare launch.

Often the less 'marketed' the content the better. Users may want to feel that they are getting the inside scoop on a new launch or beauty event, but they don't want to be talked down to or 'sold to'. Swiss digital firm IC-Agency managing partner David Sadigh stresses that there is a need to be 'authentic', even if this means including content from competing brands. He cites the example of Johnson & Johnson, which asked young mothers to send videos of their babies playing with bubbles in the bath (to drive conversation about its bath products). The company wasn't afraid to include videos that showed mothers using competing products.

Content follows technology?

How content will evolve depends partly on how technology develops. Estée Lauder Companies vp global online marketing Marisa Thalberg believes that social media will come into closer contact with the real world. "The merging of geo-location with social media is interesting. At the moment people are driving others to a specific area with social media, such as inviting friends to a bar. But you could also do tweets to drive people to the beauty counter or to an in-store event." Thalberg also sees a convergence in the different types of social media. Citing Microsoft-owned search engine Bing's interest in a deal with Twitter and Facebook, she says that the merging of search with social networks could mean big implications for brands and their online presence.

There may also be big implications for e-commerce as social networking develops. Analysts say brands may be pushed to incorporate social media into their e-commerce sites or allow consumers to comment on products they have purchased (similar to what Amazon has been doing for years). This could also be done with Facebook Connect, which enables users to connect their Facebook identities and friends to any website. As the Facebook data is portable and users can take their friends anywhere on the web, it means consumers could ask friends for their opinion about the product on a branded site before making a purchase.

Direct Message Lab's Plous goes further saying that brands will remake traditional online presence in social networks: "Brands will begin transacting on a large scale through social networks. It'll start off as a tab where you can purchase, perhaps with special promotions, and over time move to entire product catalogs."

ROI, brand image... what's the damage?

But what about the management's fears? Analysts point out that these fears are mostly unfounded. In terms of losing control, they say that consumers will comment about brands whether marketers are involved or not, and that being part of social media at least means brands can help lead conversations. Feedback and comments on social networks are also overwhelmingly positive. In the case of negative comments, IC-Agency's Sadigh suggests asking the ■■■

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Direct Message Lab ceo
Steven Plous

Social networking

■■■ brand's fans to give a positive response (rather than post a corporate response), if this is not—and it often is—done spontaneously.

The worry about return on investment (ROI) is slightly harder to assuage. The return is often seen as coming much further down the line, and given the short-term nature of today's business, many managers are reluctant to invest now for a pay-off in several years. Social media's newness and experimental nature also means that it is more difficult to convince senior management of its worth. "There's no straight line leading from a social media campaign to the counter. But linking a magazine ad to a purchase is also almost impossible, and no one questioned this," says Thalberg. She continues: "Although we don't know what a [Facebook] fan is worth we know that getting 300,000 fans it is an act of advocacy."

Social media can also be done a lot more cheaply than traditional marketing and there are ways of making money from it. "It's a myth that you can't combine content with commerce. If you just put an offer to buy out there, you will get a low response; but good content can produce revenue. For example you could build in a commerce aspect to a virtual makeover by building a look and then asking users if they want to buy that look," comments Plous.

Instead of worrying about damage to brand equity and a distant ROI, management should perhaps look at how social media will change the organization of their marketing teams. Companies are looking at how to create better cooperation between traditional and online marketing teams, and who should be involved in social media—from PRs to marketing directors to customer relations officers. But the current structure in many companies is still holding back development in social media. Companies also need to be careful about cutting back in marketing staff at time when this type of media is exploding.

Social media is leading to questions about who now owns the brand—the company or the consumer. It may also mean a shift towards companies that are organized around the consumer rather than around the brand. ■

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ELC vp global online marketing Marisa Thalberg

Beauty's social cases



Lancôme got involved in social media in 2006. In October this year it launched a make-up blog, www.blog-make-up.com featuring videos of how to apply make-up, beauty tips and information on new products, which is also relayed on Twitter. Visitors can also exchange with make-up artists. For the launch of fragrance Hypnôse Senses, the company provided a widget to bloggers, where the blogger starts a sentence that is completed by others in the community. The aim was to create a chain conversation about the fragrance from blog to blog. Lancôme also set up access for live chats with its scientists about skincare and invited bloggers to its Paris institute to learn about the brand and new launches.

UK-based make-up brand **ELF** has taken an interesting approach to social media, by integrating content and comments from social networks, such as Twitter and beauty blogs, on its site, www.elfbeautynetwork.com. The site acts as a destination for any information and user feedback on the brand. The company also invites users to post their own videos (the brand recently asked visitors to post videos as part of a competition explaining what beauty means to them).

